

Before the
FEDERAL COMMUNICATIONS COMMISSION
 Washington, D.C. 20554

In the Matter of)	
Telecommunications Services for Individuals)	CC Docket 90-571 ✓
with Hearing and speech Disabilities, and the)	
Americans with Disabilities Act of 1990 (Fund)	
Administration Fund Size Estimate and)	
Payment Formula, July 2000 Through June)	
2001))	
)	CC Docket 92-237
Administration of the North American)	
Numbering Plan and)	
)	NSD File No. L-00-72
North American Numbering Plan Cost)	
Recovery Contribution Factor and Fund Size)	

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 FCC MAIL SECTION

ORDER

Adopted: June 27, 2000

Released: June 28, 2000

By the Chief, Network Services Division, Common Carrier Bureau:

I. INTRODUCTION

1. This order approves the Fiscal Year 2000 interstate Telecommunications Relay Service (TRS) cost recovery factor submitted by the National Exchange Carrier Association and the revised Fiscal Year 1999 North American Numbering Plan Administration (NANPA) cost recovery factor submitted by the North American Billing and Collection Agent. Effective July 1, 2000 through June 30, 2001 the interstate TRS cost recovery factor will be 0.00073 and the revised NANPA factor will 0.000043.

II. TELECOMMUNICATIONS RELAY SERVICE COST RECOVERY FACTOR

2. On May 1, 2000, the National Exchange Carrier Association, Inc. (NECA) filed the TRS provider payment formula and fund size estimate for the period July 1, 2000 through June 30, 2001, in accordance with section 64.604 of the FCC's rules.¹ Public comment on NECA's filing was sought on May 18, 2000 with comments due on May 31, 2000 and reply comments due on June 7, 2000.² Comments were filed late by Worldcom and a reply to those

¹ 47 CFR § 64.604(C)(4)(iii)(H).

² On May 18, 2000, the Network Services Division of the Common Carrier Bureau released a Public Notice inviting comment on NECA's proposed payment formula and fund size estimate. *See* Telecommuting Relay Services (TRS) Fund Administrator Files Annual Report Including Fund Size Estimate and Payment Formula for (continued....)

comments was filed by NECA.³

3. The TRS Fund is designed to compensate eligible providers for the cost of furnishing interstate TRS. These services include traditional voice-to-text and text-to-voice TRS, as well as Speech to Speech (STS), Video Relay Service (VRS), and Spanish language interpreting.⁴ Fund distributions are made on the basis of a payment formula initially computed by NECA in accordance with the Commission's rules and then approved or modified by the Commission.

4. In its filing, NECA describes in detail its development of projected 2000-2001 costs and payment formula.⁵ Based on demand and revenue projections for the July 2000 through June 2001 period, NECA uses its payment formula to calculate an interstate revenue requirement of \$58,625,096. Dividing this revenue requirement by total end-user interstate revenues of \$80,537,794,969, as reported on FCC Form 499A, NECA computes the interstate TRS Fund contribution factor to be 0.00073. These computations are shown on the attached Table 1, which replicates Exhibit 4 in the NECA filing.

5. WorldCom's comments raise two issues. First, WorldCom is concerned that NECA's FY 2000 cost estimates have not adequately considered the additional expenses that will be incurred by relay providers complying with the Commission's *Improved TRS Order* and that this will require NECA to accept updated expense data in submissions made by relay providers in July 2000.⁶ In reply, NECA states that it neither plans to request additional data in July nor change the reimbursement rate.⁷ NECA states that it gave carriers several opportunities to update their cost estimates to include the new services identified in the *Improved TRS Order*.⁸ We are satisfied that NECA's estimates are accurate, and believe that NECA's analysis of projected costs is adequate and that no adjustments of the factor will be necessary.

6. WorldCom also argues that the reimbursement rate for STS and VRS are inadequate because they do not fully consider all costs associated with these services and the way minutes of use are calculated.⁹ It also seeks to recover the cost of customer premise equipment

(Continued from previous page) _____
July 2000 Through June 2001, *Public Notice* (rel. May 18, 2000).

³ MCI filed its comments on June 5, 2000, and NECA filed its reply comments on June 15, 2000.

⁴ Telecommunications Relay Services and Speech-to-Speech Services for Individuals With Hearing and Speech Disabilities, CC Docket No. 98-67, *Report and Order and Further Notice of Proposed Rulemaking*, 15 FCC Rcd 5140 (2000) (*TRS Order*).

⁵ See NECA filing pages 3-9.

⁶ Worldcom comments at page 2.

⁷ NECA reply comment at pages 1-2.

⁸ *Id.*

⁹ Worldcom comments at page 3.

for VRS through the interstate TRS fund.¹⁰ We reject Worldcom's request to modify the reimbursement rate for STS and VRS and to change the scope for VRS equipment because those requests exceed the scope of this proceeding. If WorldCom wishes to change the way carriers are reimbursed for providing TRS, it should raise those issues in the TRS docket.

7. We have reviewed NECA's methodology and computations, find them to be correct and consistent with our rules and approve the proposed contribution factor of 0.00073.

III. NORTH AMERICAN NUMBERING ADMINISTRATION COST RECOVERY

8. On May 5, 2000, the North American Billing and Collection, Inc. (NBANC), proposed a revised fund size estimate and contribution factor for recovering the cost of the North American Numbering Plan administration for the 2000 fiscal year covering the period March 2000 through June 2001.¹¹ Public comment on the proposed changes was sought by Public Notice released May 26, 2000.¹² Comments were due June 6, 2000 and reply comments were due June 13, 2000. No comments or reply comments were filed.

9. NBANC is responsible for calculating, assessing, billing, and collecting payments for the numbering administration functions and for distributing funds to the North American Numbering Plan Administrator (NANPA) on a monthly basis. Pursuant to section 52.16(a) of the Commission's rules, the NBANC proposed the revised contribution factor and fund size required to finance U.S. carriers' share of the NANPA's costs as well as the its own billing and collection costs for Fiscal Year 2000.¹³ NBANC indicated that the total funding requirement for FY 2000 for NANPA functions would be \$6,536,667, and that the total funding requirement for FY 2000 for NBANC functions would be \$440,833.¹⁴

10. The revised contribution factor modifies the current cost recovery factor that the Bureau approved in December 1999. That factor was based on NBANC projected funding

¹⁰ *Id.* at page 3.

¹¹ *In the Matter of Administration of the North American Numbering Plan, North American Numbering Plan Administration Revised Contribution Factor and Fund Size for March 2000 through June 2001* (filed May 5, 2000). The 16-month fiscal year was used to transition from a March to February time frame to a July to June time frame. See *Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, Order*, 15 FCC Rcd 3691(1999).

¹² On May 26, 2000, the Network Services Division, Common Carrier Bureau released a Public Notice, DA 00-1168 inviting comment on NBANC's proposed payment formula and fund size estimate.

¹³ *North American Numbering Plan Administration Contribution Factor and Fund Size for March 2000 through June 2001*, filed November 22, 1999 (*NBANC Report*). On November 29, 1999, the Common Carrier Bureau issued a Public Notice requesting comments on the data and computations set forth in the *NBANC Report*. See *NBANC Submits the North American Numbering Plan Administration's Contribution Factor and Fund Size for March 2000 Through June 2001*, CC Docket 92-237, 15 FCC Rcd 1323 (1999).

¹⁴ See *NBANC Report* at page 7 and Exhibit 4.

requirements filed in November 1999. In addition to NANPA and NBANC administration-related expenses, the November filing included two additional funding requirements.¹⁵ These were \$700,000 for performance of random and for-cause audits of the numbering administrator's activities and \$8.2 million in start-up and administrative costs related to the implementation of thousands-block number pooling during FY 2000.¹⁶ Collectively, all of the above-listed activities required a funding amount of \$15,877,500 for the sixteen-month period covered by Fiscal Year 2000. After adjusting for international contributions to the NANP funding mechanism and minimum contributions by domestic carriers, NBANC computed a contribution factor of 0.0000577 for Fiscal Year 2000.¹⁷

11. In its current filing, NBANC describes two conditions that now require it to propose the revised contribution factor. First, it points out that its November 22, 1999 filing developed the contribution factor based on estimated, not actual, end-user telecommunications revenues derived from the FCC Form 499-S, collected on September 1, 1999. The revenues were estimated to be \$270.568 billion based on the 16-month fiscal year. It now has actual end-user revenues for calendar year 1999. Using these revenues and again adjusting for the 16-month fiscal year, NBANC now proposes a revised funding base of \$288.133 billion. Second, it notes that the North American Numbering Council (NANC), on May 3, 2000, requested NBANC to revise the additional funding requirements included in the November 22 filing.¹⁸ NANC stated that it anticipates a delay in contracting for audits of the numbering administrator's activities. It therefore requested that the funding requirement for audits be reduced from \$700,000 to \$350,000. It also anticipates a delay in the implementation of thousands-block pooling during FY 2000 and requested that this amount be reduced from \$8.2 million to \$4.1 million. Finally, the NANC requested that an additional \$203,000 be included in the FY 2000 funding base to cover development and administration of the Central Office Code Utilization System (COCUS) replacement numbering resource reporting system. In addition to the above changes proposed by the NANC, the NBANC Board of Directors requests that the Commission authorize it to increase its contingency fund from \$425,000 to \$1 million.

12. As shown in detail in Table 2, which replicates NECA's Exhibit 3, these

¹⁵ *Id.* at 3-4 and Exhibits 2 and 3.

¹⁶ In the *Number Resource Optimization* proceeding, the Commission sought comment on adopting thousands-block number pooling in major markets. See *Numbering Resource Optimization, Notice of Proposed Rulemaking*, CC Docket No. 99-200, 14 FCC Rcd 10322 (1999), at Sections V.C and V.D. On March 31, 2000, the Commission adopted a national thousands-block number pooling framework. See *Numbering Resource Optimization, Report and Order and Further Notice of Proposed Rulemaking*, 15 FCC Rcd 7574 (rel. March 31, 2000).

¹⁷ In the *Matter of Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, Order*, 15 FCC Rcd 1323, (1999) (NBANC Order) paragraphs 4-7.

¹⁸ See, May 3, 2000 letter from John Hoffman, NANC Chairman to Mr. John Ricker, Chief Executive Officer, North American Numbering Plan Billing and Collection agent. See also, April 28, 2000 letter from John Hoffman, NANC Chairman to Mr. Lawrence Strickling, Chief Common Carrier Bureau, Federal Communications Commission.

requested modifications result in a net reduction in the funding base of \$3.672 million, yielding a domestic funding requirement, after adjusting for minimum contributions, of \$12,345,778. Dividing by the revised total 1999 end-user billed revenues yields a contribution factor of 0.000043. We have reviewed NBANC's methodology and computations, find them to be correct and consistent with our rules, and approve the proposed contribution factor.

13. Because the funding requirements for the remainder of the fiscal year are materially below those anticipated in our December 1999 order, we will also accept NBANC's recommended adjustments to carrier's contribution requirements. These recommendations are: (1) All carriers that already have made their full contributions for the period based on the November 1999 estimate and are found to have over-contributed will receive a refund of the difference without interest. (2) Any carrier that has taken advantage of the monthly installment process will receive an adjustment to future monthly billing amounts to adjust for potential overpayment of their contribution amounts. (3) Any carrier with a revenue base that has grown to the point that it has an additional contribution requirement, in spite of the lower contribution factor, will be billed for the additional funding requirement.

14. Accordingly, IT IS ORDERED, pursuant to section 225 of the Communications Act of 1934, as amended, 47 U.S.C. § 225 and section 64.606 (c)(iii)(H) of the Commission's rules, § 64.606 (c)(iii)(H), that NECA apply the contribution factor of 0.00073 to the interstate and international end-user revenue of each telecommunications carrier in the United States for TRS cost recovery. Payments will be due July 26, 2000. Carriers with contribution requirements in excess of \$1,200 may opt to pay in equal monthly installments. A minimum contribution requirement of \$25 applies to all telecommunications carriers that have end-user revenues.

15. IT IS FURTHER ORDERED, pursuant to section 251(e) of the Communications Act of 1934, as amended, 47 U.S.C. § 251(e), and sections 0.91, 0.291, and 52.16 and 52.17 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, 52.16 and 52.17, that NBANC apply the contribution factor of 0.000043 to the end-user revenue of each telecommunications carrier in the United States for NANP administration cost recovery. Payments will be due July 26, 2000. Carriers with contribution requirements in excess of \$1,600 for the full 16-month fiscal year may continue paying in equal monthly installments.

16. IT IS FURTHER ORDERED, that the Secretary shall provide a copy of this Order to each state utility commission and to the Chief Counsel for Advocacy of the Small Business Administration.

FEDERAL COMMUNICATIONS COMMISSION

L. Charles Keller
Chief, Network Services Division
Common Carrier Bureau